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FISCAL IMPACT STATEMENT

LS 6521

BILL NUMBER: HB 1830

NOTE PREPARED: Feb 20, 2007

BILL AMENDED: Feb 15, 2007

SUBJECT: Local Road and Street Account.

FIRST AUTHOR: Rep. Austin

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill provides that the first \$30.0 M of the investment earnings on the Major Moves Construction Fund during each of the next two state fiscal years is to be deposited in the Local Road and Street Account..

Effective Date: July 1, 2007.

Explanation of State Expenditures: The bill would transfer a total of \$60.0 M in interest earnings from the Major Moves Construction Fund to the Local Road and Street Account of the Highway, Road, and Street Fund. Money in the Local Road and Street Account is distributed to each county based on county passenger car registrations as compared to total passenger car registrations.

Background on the Major Moves Construction Fund: The Major Moves Construction Fund (Fund) was established to fund projects toll road or tollway projects; other projects in the Department of Transportation's (INDOT) transportation plan; and certain distributions to state and local entities under statute. The fund is a trust administered by INDOT. Money in the Fund must be appropriated by the General Assembly for expenditure and may not be transferred, assigned, or otherwise removed from the Fund by the State Board of Finance, the Budget Agency, or any other state agency. Money in the Fund does not revert to the state General Fund.

As of February 15, 2007, the balance in the Fund was \$3.16 B with recorded interest income of \$42.9M. The money in the fund came from the proceeds of the lease of the Indiana Toll Road in July 2006.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: Counties would receive \$30.0 M a year through the formula for distribution of funds from the Local Road and Street Account.

Background on The Local Road and Street Account: For counties with a population of more than 50,000, the distribution is 60% based on population of unit to total population of the county and 40% based on ratio of unit's street mileage to total road mileage in the county. For counties with a population of 50,000 or less, the distribution is 20% based on population of unit to total population of the county and 80% on ratio of unit's street mileage to total road mileage in the county.

State Agencies Affected: Indiana Department of Transportation.

Local Agencies Affected: Counties

Information Sources: State Budget Agency - Auditor's Data.

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